

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 1837 – HB 1925

March 4, 2014

**SUMMARY OF ORIGINAL BILL:** Requires the Department of Human Services (DHS) to evaluate appropriate cases within the temporary assistance for needy families (TANF) program to determine if a welfare avoidance grant would be effective in meeting a family's immediate and compelling need to avoid going on temporary assistance or to assist the family in leaving the assistance program. The welfare avoidance grant: must meet the immediate need of the applicant; may be granted as DHS deems appropriate; may not cover the same type of immediate need met by a previous welfare avoidance grant unless the department determines that the need is a new and verified emergency; is limited to three months of temporary cash assistance, but can be extended to 12 months at the department's discretion; and may not duplicate periods of temporary cash assistance. Does not apply to instances of a single child being eligible for TANF assistance.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures - \$50,200/One-Time

**SUMMARY OF AMENDMENT (013189):** Deletes all language after the enacting clause. Requires the Department of Human Services (DHS) to evaluate appropriate cases within the temporary assistance for needy families (TANF) program to determine if a diversion grant would be effective in meeting a family's immediate and compelling need to avoid going on temporary assistance or to assist the family in leaving the assistance program. The diversion grant: shall meet the immediate needs of the applicant; may be granted as DHS deems appropriate; may not cover the same type of immediate need met by a previous diversion grant unless the department determines that the need is a new and verified emergency; may range from one to twelve months at the department's discretion; shall be calculated based upon the amount of temporary cash assistance an applicant is eligible for under the TANF program; may not duplicate periods of temporary cash assistance; and will reduce the applicants temporary assistance eligibility period by the number of months the applicant receives the diversion grant. Does not apply to instances of a single child being eligible for TANF assistance. Effective date of July 1, 2015.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

NOT SIGNIFICANT

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Assumptions for the bill as amended:

- According to DHS, the department's current diversion program provides a one-time payment to meet the financial needs of a recipient and prevents the recipient from going on temporary assistance. The proposed legislation will implement different guidelines than those that are currently in place.
- DHS will revise policies on handling of the diversion grant program to meet the guidelines included in the bill. Any cost can be accommodated within existing resources.
- According to DHS, there will be necessary programming and systems changes to the ACCENT program to include the issuance of the diversion grants under the proposed guidelines.
- The department is currently planning to make ACCENT program and systems changes. These changes will be completed in time to meet the July 1, 2015 effective date of the proposed legislation. The department can incorporate the necessary changes that are a result of the proposed legislation into the planned systems changes without a significant increase in expenditures.

#### **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise".

Lucian D. Geise, Executive Director

/kml